

**[2/22/78-Not Submitted] [CF, O/A 548]**

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MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

22 February 1978

TO: JIM MCINTYRE  
FROM: RICK HUTCHESON   
SUBJECT: Your Memo re: Organizational  
Proposal for Trade Adjustment  
Assistance

I have been informed by DPS and by OMB staff that the organizational proposals discussed in your memo have already been implemented informally; and that even with the President's consent no additional presidential action is needed to implement the proposals. Therefore, there doesn't appear to be any need to submit the memo.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

FEB 17 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. *J. McIntyre*

SUBJECT: Organizational Proposal for Trade Adjustment Assistance

The interagency task force on Trade Adjustment Assistance (TAA) proposed that you give formal standing to the ad hoc Adjustment Action Committee co-chaired by the Departments of Labor and Commerce to coordinate TAA programs, and that legislation be proposed to abolish the STR-chaired committee with the same responsibility which is mandated by the Trade Act, but which has never functioned. You asked for a comment on this proposal from the Reorganization Project.

Since Labor and Commerce are in a far better position than STR to coordinate and direct adjustment programs for workers, firms, and communities impacted by trade competition, and since STR would still participate in setting adjustment assistance policy, we endorse the proposal.

- Blanket certification for communities under which communities would become automatically eligible to apply for TAA in cases where 5 percent or more of a community's local work force, or 200 workers, whichever is larger, have been certified by DoL as eligible to apply for worker TAA. (Costs included in proposal above.) This proposal would further simplify community certification, beyond the steps recommended above, and would link the community and worker programs.

OMB believes this proposal unnecessarily relaxes community certification criteria. All other agencies support this proposal.

FOR: DoL, DoC, State, Treasury, CEA, STR, DPS  
AGAINST: OMB

YES \_\_\_ NO ☒ COMMENT \_\_\_\_\_

#### ORGANIZATIONAL PROPOSALS

Apart from the programmatic changes recommended in the preceding two sections, the interagency group also recommends two measures to improve the coordination and funding of the TAA program.

- Formal establishment of the Commerce-Labor Adjustment Action Committee, co-chaired by DoC and DoL, composed of senior officials responsible for adjustment activities in these two Departments plus representatives from State, Treasury, STR, and DoD. In the past, no mechanism has operated effectively to coordinate TAA programs for firms, workers, and communities. Recently, on an ad hoc basis, Commerce and Labor established an Adjustment Action Committee to correct this problem. It brings together the two main agencies with program responsibility and budget resources, which is the key to effective coordination.

A Presidential directive establishing the Commerce-Labor Adjustment Action Committee would be accompanied by a legislative recommendation to eliminate the Adjustment Assistance Coordinating Committee, which Section 281 of the Trade Act mandates. That committee, chaired by STR, has not functioned largely because it puts STR in the untenable position of trying to coordinate programs lodged in two line Departments.

DPS approves this proposal as does STR.

*AMB - Long comment?*

YES \_\_\_ NO \_\_\_ COMMENT \_\_\_\_\_

THE WHITE HOUSE  
WASHINGTON

December 14, 1977

*Stu - I'm not  
sold on this, &  
fear its almost  
uncontrollable  
expansion unless  
we hold the line  
JC*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Trade Adjustment Assistance

Our proposals to help the steel industry have generated renewed interest in Trade Adjustment Assistance (TAA). The recent AFL-CIO convention has made it clear that alleviating trade impacts will be a high priority with Labor this year.

In light of this interest and continuing activity by Congressional committees, I am resubmitting the TAA decision memo to you.

I do not believe that you need to make final decisions at this time. However, it would be helpful to the Departments of Labor and Commerce to have at least some tentative guidance from you before they discuss TAA reform proposals with the Congress. Congressman Vanik and others intend to proceed with a TAA package early in the next session and committee staff are currently drafting legislation language.

We will lose control of the legislative situation unless we move quickly. Commerce feels particularly strong about this.

ID 780886

T H E   W H I T E   H O U S E

WASHINGTON

DATE: 20 FEB 78 *hmm*

FOR ACTION: STU EIZENSTAT

ZBIG BRZEZINSKI *concur*

RICHARD PETTIGREW *concur*

JACK WATSON *concur by him*

LONDON BUTLER

BOB STRAUSS *concur*

INFO ONLY: THE VICE PRESIDENT

BOB LIPSHUTZ

FRANK MOORE (LES FRANCIS)

SUBJECT: MCINTYRE MEMO RE ORGANIZATION PROPOSAL FOR TRADE  
ADJUSTMENT ASSISTANCE

\*\*\*\*\*  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM WEDNESDAY 22 FEB 78 +  
\*\*\*\*\*

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

*[Handwritten signature]*

*no expansions  
no need for comments  
attach relevant  
memo*

ID 780886

T H E   W H I T E   H O U S E

WASHINGTON

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ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. (☒) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

FEB 17 1978

MEMORANDUM FOR: THE PRESIDENT  
FROM: James T. McIntyre, Jr. *Jim*  
SUBJECT: Organizational Proposal for Trade  
Adjustment Assistance

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Since Labor and Commerce are in a far better position than STR to coordinate and direct adjustment programs for workers, firms, and communities impacted by trade competition, and since STR would still participate in setting adjustment assistance policy, we endorse the proposal.

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ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ☒ ) I CONCUR. ( ☒ ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:



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INFO ONLY: THE VICE PRESIDENT  
FRANK MOORE (LES FRANCIS)

BOB LIPSHUTZ

SUBJECT: MCINTYRE MEMO RE ORGANIZATION PROPOSAL FOR TRADE  
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+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM WEDNESDAY 22 FEB 78 +  
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Ambassador Strauss:

I recommend you concur with the proposal.

The McIntyre proposal eliminates STR's chairmanship role  
in coordinating Trade Adjustment Assistance.

*J LaPittus*  
Jerry LaPittus

*2/22/78*



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